

SANDERS UNIFIED SCHOOL DISTRICT #18

P.O. Box 250 SANDERS, ARIZONA 86512
Phone #: (928)688-4750
Website: www.susd.k12.az.us



October 1, 2010

Request for Appeal – CC Docket No. 02-6
Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743

FILED/ACCEPTED

OCT - 4 2010

Federal Communications Commission
Office of the Secretary

CC: 02-6

APPEAL FUNDING COMMITMENT DECISION LETTER – Funding Year 2009-2010

Dear SLD Appeals Unit:

Please let this letter serve as our request to appeal a USAC Administrator's Decision on Appeal Funding Year 12 (July 1, 2009 to June 30, 2010) dated August 17, 2010.

CC Docket No. 02-6

Appellant Name: **SANDERS UNIFIED SCHOOL DIST 18**

Billed Entity Number: **143228**

Contact Person's Name: **Roy Danny**

I-40 Highway 191, Sanders AZ 86512

928-688-4750

Fax Number: 928-688-4701

e-mail: rdanny04@sandersusd.net

Form 471 Number: **665393**

FRN: **1865639**

Service Provider: **CS&S Computer Systems, Inc.**

Service Provider Identification Number (SPIN): **143016730**

USAC- **Funding Commitment Decision Letter SLD Appeal Denial**

Amount Requested for FRN: **\$22,868.00**

Reason for USAC's denial of appeal for this FRN:

Funding Request Number(s): 1865639
Decision on Appeal: Denied
Explanation:

- After a complete review of your appeal, USAC has determined that this request contained ineligible products/services: ShoreTel Personal Call Manager - ineligible Audio and Web Conferencing. According to documentation submitted as the Item 21 attachments and the same information that you provided on appeal, and again after receiving notification that your request for these ineligible products would be denied unless the ineligible portions were identified and cost allocated out, the Schools and Libraries Support Mechanism rules and procedures provide that if more than 30% of an applicant's funding request includes ineligible products or services, the funding request must be denied. Since cost allocation was not provided, your appeal has been denied.

Reason for the Appeal:

The Funding Commitment Decision Letter for Funding Year 2009, for FRN 1854078 stated: ***“that 30% or more of the FRN includes a request for Shoretel Personal Call manager which is an ineligible VOIP product.”***

1 - We assert that the VOIP software requested along with the VOIP hardware is fully eligible under internal connections as server based VOIP client software and VOIP gateway hardware. We believe that USAC has made an error s in its decision not to fund this FRN in its entirety. In addition we requested the FRN be correctly adjusted up from the original \$ pre discount amount of \$ 22,868 to \$ 26,068.04 to remove the data entry error.

2 – It does not appear USAC properly reviewed the information provided either during PIA or Appeal and responded with the exact same wording.

3 – As submitted during the USAC appeal the following paragraph (in blue text) describes the vital portions of the VOIP system.

- Switch/server/gateway platform - (i.e. shoregear 90 switch or shoregear 220T switch/server/gateway)
- Operator call manager – this is the main server software and handles the attendant console functionality and directs calls out to the PSTN (public switched telephone network).
- Personal call manager – This is the client license portion of the system required connect a device to the email server and provides the plug in for Microsoft/exchange/outlook client (Microsoft exchange and outlook clients are fully eligible as email server based software under internal connections),
- VOIP Phones – Two were requested as attendant consoles for each school campus.

“We realize the semantics regarding the manufacturers choice of product description and that the manufacturer calls the product “personal”, however the complete Voice over IP solution requires the shoretel switches (the core IP switch acts as IP server, plus part # 29123 and 30035), then any IP phone attached to the IP system requires a client license part # 30001 for standard users or the attendant console/operator license part # 40002. The licenses are required in order for the phones to operate.”

4 - Since the original application and PIA period we have received the following information from the service provider detailing that the personal call manager functionality has now been combined/bundled with the Extension and mailbox licensing. No cost is now associated with the personal call manager. Please see inserts below.

From: MD Dbeis [md@CSS-COMPUTERS.com]

Sent: Saturday, July 17, 2010 10:14 AM

To: mike daniel

Subject: RE: sanders yr 12 insert for appeal reply - Urgent -CSS confirmation request---Please see the attached

Hi Mike,

I confirm that by purchasing the Shoretel Call manager and Shoretel Director (previously marketed as Operator Call Manager and extension/extension & mailbox license) that are no costs associated with the Personal Call Manager.

From: mike daniel [mailto:mdaniel1@cox.net]

Sent: Fri 7/16/2010 7:15 PM

To: MD Dbeis

Cc: 'Roy Danny'

Subject: RE: sanders yr 12 insert for appeal reply - Urgent -CSS confirmation request---Please see the attached

Hello MD -

Could you please confirm that by purchasing the Shoretel Call manager and Shoretel Director (previously marketed as Operator Call Manager and extension/extension & mailbox license) that are no costs associated with the Personal Call Manager.

Thank you,

Mike Daniel
Tech Funds Inc.
602-882-2459
480-460-7362 fax

| | | | | | | | | | | |
|-----------------------|--|-------|------------|-----|------------|----------|--------------|----------|------------|-------------|
| ShoretelEndISAN12-1 | | | | | | | | | | \$17,176.01 |
| | | SKU # | Unit Price | Qty | subtotal | Discount | After discou | Tax | total | |
| Bundled w below | Personal Call Manager | 30001 | \$0.00 | 30 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | |
| Shoretel call manager | Operator Call Manager | 40002 | \$595.00 | 1 | \$595.00 | \$57.48 | \$537.52 | \$43.54 | \$581.06 | |
| Shoretel Director | Extension & Mailbox License | 30035 | \$200.00 | 30 | \$6,000.00 | \$579.60 | \$5,420.40 | \$439.05 | \$5,859.46 | |
| Shoretel Director | Extension-only License | 30039 | \$140.00 | 20 | \$2,800.00 | \$270.48 | \$2,529.52 | \$204.89 | \$2,734.41 | |
| | ShorePhone IP560 - Black | 10156 | \$349.00 | 2 | \$698.00 | \$67.43 | \$630.57 | \$51.08 | \$681.65 | |
| | ShoreGear 220T1 | 10261 | \$7,495.00 | 1 | \$7,495.00 | \$724.01 | \$6,770.99 | \$548.45 | \$7,319.44 | |
| ShoretelEndISAN12-2 | | | | | | | | | | \$5,392.03 |
| | | SKU # | Unit Price | Qty | subtotal | Discount | After discou | Tax | total | |
| | ShoreGear 90 | 10260 | \$2,995.00 | 1 | \$2,995.00 | \$146.75 | \$2,848.25 | \$230.71 | \$3,078.96 | |
| | ShoreGear Rack Mount Tray Gen4 | 10223 | \$95.00 | 2 | \$190.00 | \$9.31 | \$180.69 | \$14.64 | \$195.33 | |
| | ShoreTel Voice Mail Quick Reference, Doc. Pack, Qty 25 | 10304 | \$10.00 | 3 | \$30.00 | \$14.7 | \$28.53 | \$2.31 | \$30.84 | |
| | ShoreTel 110/115 IP Phone Quick Reference, Doc. Pack, Qty 25 | 10305 | \$10.00 | 3 | \$30.00 | \$14.7 | \$28.53 | \$2.31 | \$30.84 | |
| | ShoreTel E911 Notification: <= 5 users | 92020 | \$2,000.00 | 1 | \$2,000.00 | \$98.00 | \$1,902.00 | \$154.06 | \$2,056.06 | |
| | | | | | | | | | | \$22,568.04 |

| | | | | | | |
|---|----------------|--|------------|------------|--------|------------|
| 1 | CSSRV-ST-SAN11 | Onsite installation, configuration and testing into existing Shoretel environment, include 24 hrs onsite maint and support for new equipment, 8 hrs phone support, include travel/perdiem to Sanders | \$3,500.00 | \$3,500.00 | \$0.00 | \$3,500.00 |
|---|----------------|--|------------|------------|--------|------------|

-----Original Message-----

From: MD Dbeis [mailto:md@CSS-COMPUTERS.com]

Sent: Friday, July 16, 2010 5:02 PM

To: mike daniel

Subject: RE: sanders yr 12 insert for appeal reply - Urgent - MD action item-

-----Please see the attached (corrected one)

Importance: High

Thanks

MD Dbeis

1440 W. University Drive

Tempe, AZ 85281

PH 480-968-8585

Fax 480-968-9544

md@css-computers.com

5 - We request full funding of this FRN.

Thank you for your review of our appeal.

Sincerely,



Roy Danny

Education Support Services/Technology Supervisor

Sanders Unified School District #18

Tel. #: (928)688-4708

Fax. #: (928)688-4701

Email: rdanny04@sandersusd.net

Attachments below -

A - PIA documentation - page 5 to 8

B - USAC appeal denial - page 9 and 10

C- FCDL insert - page 11

A - PIA documentation

We are requesting that the PIA documents we provided on the following dates be reviewed for compliance and that this FRN be correctly funded.

Please note the prior documents-

From the Sanders yr 12 follow up letter during PIA dated 7/28/2009, from Page 6 we responded with

FRN 1865639 is for the eligible Voice over IP (VOIP equipment).

| | | | | | | |
|---|---------------------|--|-------------|-------------|------------|-------------|
| 1 | ShoreTelBndISAN12-1 | ShoreTel 30-Personal Call manager, 1- Operator Call Manager (version 8.0 or later), 30-Extension & Mailbox License, 20-Extension-only License, 2- ShorePhone IP560 - Black, 1-ShoreGear 220T1A | \$15,889.00 | \$15,889.00 | \$1,287.01 | \$17,176.01 |
| | | 1 - ShoreGear 90, 2 - ShoreGear RK Mnt Tray Gen4ShoreTel Voice Mail Q Ref, Doc: Qty 75 pk, ShoreTel 110/115 IP Phone QRef, Doc: Pack, Qty 75, 1-ShoreTel E911 Notific: <= 5 users | | | | |

| | | | | | | |
|---|---------------------|--|------------|------------|----------|------------|
| 1 | ShoreTelBndISAN12-2 | ShoreTel 1-ShoreGear 90, 2-ShoreGear RK Mount Tray, 75-ShoreTel Voice Mail Quick Reference, Doc, 75- ShoreTel 110/115 IP Phone Quick Reference, Doc, 1- ShoreTel E911 Notification: <= 5 users | \$4,988.00 | \$4,988.00 | \$404.03 | \$5,392.03 |
| | | Onsite installation, configuration and testing into existing | | | | |

| | | | | | | |
|---|----------------|--|------------|------------|--------|------------|
| 1 | CSSRV-ST-SAN11 | Onsite installation, configuration and testing into existing Shoretel environment, include 24 hrs onsite maint and support for new equipment, 8 hrs phone support, include travel/perdiem to Sanders | \$3,500.00 | \$3,500.00 | \$0.00 | \$3,500.00 |
|---|----------------|--|------------|------------|--------|------------|

\$ 17,176.01 + \$ 5,392.03 + \$ 3,500 = \$ 26,068.04, Please adjust this FRN 1865639 to match the documentation from \$ 22,868. to \$ 26,068.04

From the Sanders yr 12 reply to the PIA reviewer on 8/5/2009, the following information was provided on page 1 and 2 -

Question 1

For FRN 1865639, your request includes ShoreTel Personal Call Manager which according to program rules is 100% ineligible. The charges associated with ShoreTel Personal Call Manager must be identified and removed from the remainder of this funding request. It is our intent to reduce this funding request by the amount you provide as your cost allocation. If you do not provide a cost allocation, the entire funding request will be denied.

Answer - the voip client licenses are required to activate the phones and voicemail and provide internal station-to-station dialing and access to the public switched network. These are either available as individual phone licenses or the more costly multiline operator/ attendant console license. The phones are not included in this FRN.

| | | |
|-------------------------------|--|-------|
| ShoreWare Application Server: | | |
| | ShoreTel 7.5 Software (Controlled Release) | 29123 |
| | Extension & Mailbox License | 30035 |
| | Extension-only License | 30039 |
| ShoreWare Client Software: | | |
| | Personal Call Manager | 30001 |
| | Operator Call Manager | 40002 |

From the Eligible services list –

Voice/Video over IP
(VoIP) Components
(Data Distribution)

Voice/video over IP (VoIP) components refer to equipment that utilizes the TCP/IP suite of protocols to provide voice and/or video communications.

Voice Mail
Components
(Telephone
Components)

Voice mail components allow users to receive voice messages left by telephone callers and may have other features, such as message forwarding.

Client Access
Licenses
(Software)

A Client Access License is a software licensing approach used by some vendors that provides authorization to access a software product.

Software for a server-based, shared voice mail system is eligible.

We also submit the entry from the USAC 2009 ESL –

Voice Mail
Service

A voice mail service is eligible.

Funding requests for a voice mail service may be submitted in the Telecommunications Services category of service if provided by an eligible telecommunications carrier or may be submitted in the Internet Access category of service if provided by any service provider.

In addition, voice mail equipment may be requested in the Internal Connections category of service, but funding is not available for end-user products such as answering machines.

From the Shoretel web site, the information copied below clearly indicates that this is a VOIP and voicemail unified server based product licensed by the number of users.

ShoreWare Personal Call Manager

Connecting people instantly

ShoreWare Personal Call Manager helps streamline business communications, improves communication accuracy, and enhances overall productivity for every user on the end-to-end ShoreTel Unified Communications (UC) solution. By leveraging the integrated Personal Call Manager, you can realize better communications and improved customer service out of the box.

Define routing and answering protocols

Configure different ways to handle calls or voicemail greetings whether you're "in" or "in a meeting" or the "out of the office" mode. Direct the system to route calls to you, voicemail or try to find you by calling your various assigned phone numbers.

Easy on IT department

One single interface reduces training efforts as well as capital and operating expenditures. With one installation process, a single application to support and no additional servers to deploy and maintain, the IT workload is reduced.

http://www.shoretel.com/products/call_manager/

ShoreTel's Unified Communications system encompasses phones, switches, and software that are designed to allow easy deployment and rapid flexibility, and deliver world-class quality.

ShoreTel's IP phones provide the ultimate in ergonomic and aesthetics design, as well as superior audio quality. ShoreGear® voice switches are purpose-built appliances with no moving media, delivering unmatched reliability and availability. And the ShoreWare® Call Manager end-user application suite makes it easier for users to communicate with anyone, anywhere, anyway they choose.

Please see the insert below from the manufacturer price list. The personal call manager part # 30001- is the VOIP license for each phone. There are 2 options for licensing the client phones on the IP server, either personal or operator license (30001 or 40002 for the call attendant phone).

We realize the semantics regarding the manufacturers choice of product description and that the manufacturer calls the product "personal", however the complete Voice over IP solution requires the shoretel switches (the core IP switch acts as IP server, plus part # 29123 and 30035), then any IP phone attached to the IP system requires a client license part # 30001 for standard users or the attendant console/operator license part # 40002. The licenses are required in order for the phones to operate.

| Description | | SKU # | Unit Price |
|-------------------------------|--|-------|------------|
| ShoreGear Voice Switches: | | | |
| | ShoreGear 60/12 | 10168 | \$2,995.00 |
| | ShoreGear 90 | 10260 | \$2,995.00 |
| | ShoreGear 220T1 | 10261 | \$7,495.00 |
| ShorePhone Telephones: | | | |
| | ShorePhone IP 115 - Black (requires v7.5 software) | 10217 | \$159.00 |
| | ShorePhone IP560 - Black | 10156 | \$349.00 |
| ShoreTel User Documentation: | | | |
| | ShoreTel 110/115 IP Phone Quick Reference, Doc. Pack, Qty 25 | 10305 | \$10.00 |
| | ShoreTel 110/115 IP Phone User Guide, Doc. Pack, Qty 25 | 10306 | \$125.00 |
| | ShoreTel 560 IP Phone Quick Reference, Doc. Pack, Qty 25 | 10302 | \$10.00 |
| | ShoreTel 560 IP Phone User Guide, Doc. Pack, Qty 25 | 10303 | \$125.00 |
| | ShoreTel Voice Mail Quick Reference, Doc. Pack, Qty 25 | 10304 | \$10.00 |
| ShoreWare Application Server: | | | |
| | ShoreTel 7.5 Software (Controlled Release) | 29123 | \$0.00 |
| | Extension & Mailbox License | 30035 | \$200.00 |
| | Extension-only License | 30039 | \$140.00 |
| ShoreWare Client Software: | | | |
| | Personal Call Manager | 30001 | \$125.00 |
| | Operator Call Manager | 40002 | \$595.00 |

B - USAC appeal denial



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2009-2010

August 17, 2010

Roy Danny
Sanders Unified School Dist 18
I-40 Highway 191
Sanders, AZ 86512

Re: Applicant Name: SANDERS UNIFIED SCHOOL DIST 18
Billed Entity Number: 143228
Form 471 Application Number: 665393
Funding Request Number(s): 1865639
Your Correspondence Dated: May 03, 2010

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2009 Funding Commitment Decision Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1865639
Decision on Appeal: Denied
Explanation:

- After a complete review of your appeal, USAC has determined that this request contained ineligible products/services: ShoreTel Personal Call Manager - ineligible Audio and Web Conferencing. According to documentation submitted as the Item 21 attachments and the same information that you provided on appeal, and again after receiving notification that your request for these ineligible products would be denied unless the ineligible portions were identified and cost allocated out, the Schools and Libraries Support Mechanism rules and procedures provide that if more than 30% of an applicant's funding request includes ineligible products or services, the funding request must be denied. Since cost allocation was not provided, your appeal has been denied.

- Your FCC Form 471 application included costs for the following ineligible products and/or services: Shoretel personal call manager. USAC has given you an opportunity to provide the additional documentation to enable USAC to appropriately revise your funding request and remove the costs associated with ineligible products and/or services AND the appropriate additional documentation demonstrating the eligibility of the products and/or services requested and you failed to do so. Accordingly, your funding request was denied. In your appeal, you did not show that USAC's determination was incorrect. Consequently, your appeal is denied.
- FCC rules provide that funding may be approved only for eligible products and services. *See* 47 C.F.R. secs. 54.502, 54.503. The USAC website contains a list of eligible products and services. *See* USAC website, www.usac.org/sl, Eligible Services List. FCC rules further require that if 30% or more of the applicant's funding request includes ineligible products and/or services, then the funding request must be denied, otherwise the funding request will be reduced accordingly. *See* 47 C.F.R. sec. 54.504(d). The FCC's Aiken County Public Schools Order directed USAC to permit the applicant 15 calendar days from the date of receipt of notice in writing by USAC to revise its funding request to remove the ineligible services or allow the applicant to provide additional documentation to show why the services are eligible. *See* Requests for Review of the Decisions of the Universal Service Administrator by Aiken County Public Schools Aiken, SC, et al., Schools and Libraries Universal Service Support Mechanism, File No. SLD-397612, et al., CC Docket No. 02-6, Order, 22 FCC Rcd 8735, FCC 07-61 para. 11 (May 8, 2007).

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either USAC or the FCC. For appeals that have been denied in full, partially approved, dismissed, or canceled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

C- FCDL insert

FUNDING COMMITMENT REPORT
Billed Entity Name: SANDERS UNIFIED SCHOOL DIST 18
BEN: 143226
Funding Year: 2009

Comment on RAL corrections: The applicant did not submit any RAL corrections.

Form 471 Application Number: 665393
Funding Request Number: 1865639
Funding Status: Not Funded
Category of Service: Internal Connections
Form 470 Application Number: 445830006716895
SPIN: 143016730
Service Provider Name: CS&S Computer Systems, Inc.
Contract Number: N/A
Billing Account Number: Sanders Unified
Multiple Billing Account Numbers: N
Service Start Date: 07/01/2009
Service End Date: N/A
Contract Award Date: 02/09/2009
Contract Expiration Date: 06/30/2010
Shared Worksheet Number: 1165311
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$0.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$22,868.00
Pre-discount Amount: \$22,868.00
Discount Percentage Approved by the USAC: 90%
Funding Commitment Decision: \$0.00 - Ineligible Services/Products
Funding Commitment Decision Explanation: MRI: The FRN was modified from \$22,868 to \$26,068.04 to agree with the applicant documentation. ***** MRI: 30% or more of this FRN includes a request for ShoreTel Personal Call Manager which is an ineligible product based on program rules.

FCDL Date: 03/09/2010

File Number: 043

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011